



Cephalon Resource Corporation



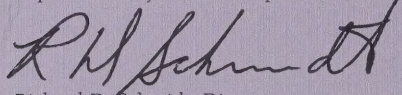
Annual Report

**For Year Ended
April 30, 1995**

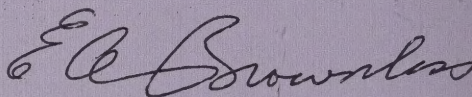
IMPORTANT NOTICE TO SHAREHOLDERS

On June 19th, 1995 it was formally announced the former Board of Directors of Cephalon Resource Corporation had entered into agreements to sell directly or indirectly their interest in Cephalon Resource Corporation to Provost Petroleum Ltd. On completion of the transaction on July 28th, 1995, and in accordance with the terms of the agreement, all former Directors of Cephalon resigned.

In view of the foregoing, the new Directors of Cephalon Resource Corporation, have assumed responsibility for the Annual Report for the year ended April 30th, 1995.



Richard D. Schmidt, Director
CEO



Edward A. Brownless, Director
President & Chairman

MISSION STATEMENT

Cephalon Resource Corporation is a Calgary, Alberta based corporation engaged in the exploration, development and production of oil and natural gas in Western Canada. We plan to increase our shareholder value by drilling and developing prospects which we feel are of low to medium risk and which offer shallow to medium depth, multi-zone drilling targets. We plan to maintain a balanced mix of oil and natural gas properties in order to achieve balanced growth.

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Glossary of Terms/Conversion Table

Glossary of Terms	Convert	To	Multiply
bbl barrel;	mcf	cubic metres	28.174
bopd barrels of oil per day;	cubic metres	cubic feet	35.494
bpd barrels per day;	bbls	cubic metres	0.159
mbbls thousands of barrels;	cubic metres	bbls	6.290
mcf one thousand cubic feet;	feet	metres	0.305
mcfd one thousand cubic feet per day;	metres	feet	3.281
mmcf one million cubic feet;	miles	kilometres	1.609
mmcf one million cubic feet per day;	kilometres	miles	0.62
1mstb one thousand stock tank barrels;	acres	hectares	0.405
NGL natural gas liquids; and	hectares	acres	2.471
stb stock tank barrel.			

Notice of Annual and Special General Meeting

You are invited to attend the Annual and Special General Meeting of Shareholders of Cephalon Resource Corporation at 3 p.m., Thursday, October 19th, 1995 at the Westward Inn, 119 - 12th Avenue S.W., Calgary, Alberta.



MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Your company has undergone dramatic changes during the past months and we wish to apprise you of these changes in this report along with a number of situations which have already increased shareholder value and should continue to do so in the future.

On June 19th, 1995 it was announced A. Bruce Macdonald, Fred P. Rumak, James E. Lawson, James A. Podruski and Edward R. Schreyer had entered into an agreement to sell, directly or indirectly, 3,033,500 common shares of Cephalon, constituting 28.4% of the issued and outstanding shares to Provost Petroleum Ltd. The transaction closed on July 28th, 1995. In accordance with the terms of the agreement, on that date, all of the directors and officers of Cephalon resigned. As of July 28th, Richard D. Schmidt and Edward A. Brownless, were appointed to the company as CEO and President, respectively, to be confirmed at the Annual and Special General Meeting of Cephalon to be held in Calgary on October 19th of this year.

In a separate but related transaction, Provost sold a producing property located at Legal, Alberta to Cephalon for cash consideration of \$ 300,000 and 1,000,000 Cephalon common shares at a price of \$ 0.25 per common share. This property is expected to increase Cephalon's daily average oil production by 20% to 169 BOE per day from the existing 141 BOE.

A significant contribution to our total liquids and gas production during 1994 has resulted from your company's successful drilling program at Haynes. Three successful wells produced over 2.4 mmcf/d and 78 barrels of gas liquids per day in the last quarter. These are described further under Principal Oil and Gas Properties on page 2, along with our other properties and activities.

On June 21, 1995, it was announced that Cephalon had received approval from the Alberta Stock Exchange for an extension of warrants with the expiry date being extended to December 29th, 1995. The exercise price of the warrants remains at \$ 0.32. All of the other terms and conditions of the warrants remain unchanged.

The Company plans to participate in a three to five well drilling program on oil and gas prospects, in which the Company now holds the rights to participate. Funds for this drilling program will be raised by the sale of Flow Through shares to be issued by way of private placement. We have already initiated steps to increase our oil production with the acquisition of the Legal, Alberta property.

Your executive would like to acknowledge the significant contribution made to the company by A. Bruce Macdonald, Fred Rumak, James E. Lawson, James Podruski and Edward Schreyer, our former directors.

Your new Board of Directors brings to Cephalon a wealth of experience in exploration, development and the successful operation of other oil and gas companies. We wish to thank our shareholders for their continued support and we look forward to an exciting year ahead.

On behalf of the Board of Directors,

Richard D. Schmidt
CEO

Edward A. Brownless
President & Chairman



PRINCIPAL OIL AND GAS PROPERTIES

The following is a description of Cephalon's oil and natural gas properties by area. All oil and natural gas properties have been independently evaluated by Fekete Associates Inc.

Bigoray, Alberta

Cephalon owns a 50% working interest before payout reverting to a 25% working interest after payout in 640 acres of land and one gas well in this area in central Alberta. The well commenced production from the Glauconitic zone in April 1994 at an initial rate of 1 mmcf/d with 40 bpd of natural gas liquids. The Fekete Report estimates proven and probable natural gas and liquids, net to the Company at April 30, 1995 to be about 878 mmcf and 25,000 bbls respectively.

East Acheson, Alberta

Cephalon owns a 10% working interest in the Blairmore B oil pool in the East Acheson area of central Alberta. The Company's net daily production here in the last quarter was 15 bopd and 47 mcf/d of gas. Fekete estimates proven and probable oil and associated gas reserves, net to the Company at April 30, 1995, to be about 30,400 bbls and 93 mmcf of gas, respectively.

Pembina Belly River "C" Unit, Alberta

Cephalon owns 3.49% working interest in the Pembina Belly River "C" Unit and 1.98% working interest in the related Pembina central battery. The battery treater capacity is over 4000 barrels oil and 1 mmcf per day with waterflood injection capacity over 2500 barrels per day. The Unit has been developed with a waterflood on 80 acre spacing and includes 18 oil wells and 23 water injection wells. The last quarter net production for Cephalon was 12 bopd. The operator is conducting detailed reservoir modelling to investigate horizontal drainage of unswept parts of the field. Two potential locations exist with anticipated incremental production of 135 bopd each.

Warburg, Alberta

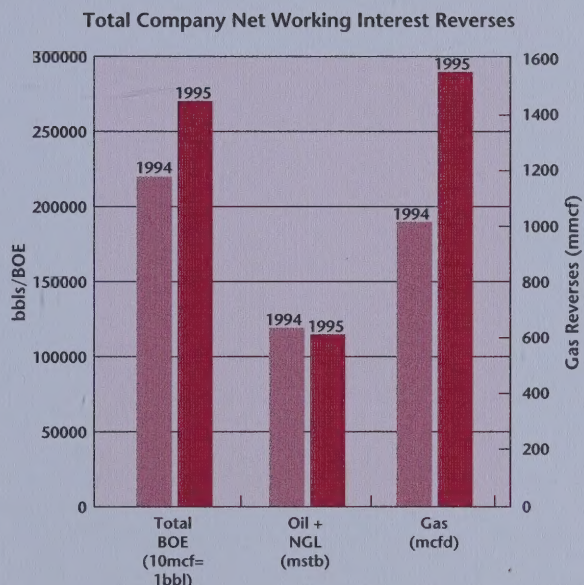
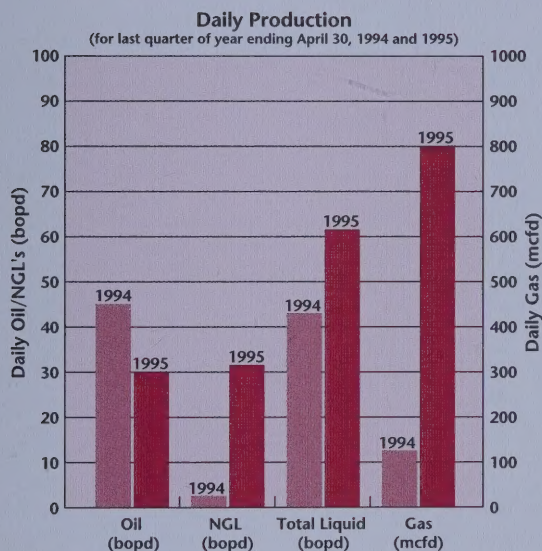
Cephalon has a 50% working interest (30% APO) in a Belly River oilwell in the Pembina field. Although this is a marginal well, much of this area is on 80 acre spacing and a better follow-up location may exist, subject to further study. Similarly, a prospective by-passed zone here requires further evaluation.

Leduc, Alberta

Cephalon participated in an unsuccessful horizontal well testing the Nisku potential in this area. As result, the Company has earned 16.67% working interest in 1680 acres (280 net) in an area having multi-zone potential. The Company will study this area in detail to evaluate other opportunities.

Haynes, Alberta

Much of the improvement during 1994 in total liquids and gas production results from the Company's successful drilling program at Haynes. Three successful wells here were producing over 2.4 mmcf/d and 78 barrels of gas liquids per day in the last quarter. These wells and associated lands have added over 600 mmcf and 21,000 barrels of liquids net to the Company's reserves. The successful track record established in the Haynes area will be further enhanced by the development drilling opportunities available on Company lands here and throughout central Alberta.



RESERVES

Oil and Natural Gas Reserves Based on Escalated Prices

	Company Working Interest Reserves*						Present Value of Estimated Net Cash Flow Discounted at Rates of:			
	Gross			Net						
	Gas (mmcf)	Oil (mstb)	NGL (mstb)	Gas (mmcf)	Oil (mstb)	NGL (mstb)	0%	10%	15%	20%
Proved Producing	1,127.8	67.4	36.5	816.5	58.0	23.2	1,936.5	1,378.8	1,215.5	1,092.1
Proved Non-Producing	247.6	13.7	7.1	157.0	11.3	4.3	235.1	139.5	106.9	80.7
Total Proved	1,375.4	81.1	43.6	973.4	69.3	27.5	2,171.6	1,518.3	1,322.5	1,172.8
Probable Additional**	379.6	-	12.9	297.5	-	9.0	616.2	405.7	341.6	293.9
Total Proved Plus Probable Additional**	1,755.0	81.1	56.5	1,270.9	69.3	36.5	2,787.8	1,924.0	1,664.1	1,466.7

- * Includes natural gas, solution gas, oil, condensate and natural gas liquids
- ** Probable Additional Reserves and Values were risked at 50%

Note: Numbers may not add due to rounding



Michael A. Kociuba

Professional Corporation

Chartered Accountant

AUDITOR'S REPORT

To the Shareholders of
Cephalon Resource Corporation

I have audited the balance sheets of Cephalon Resource Corporation as at April 30, 1995 and 1994 and the statements of loss and deficit and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 1995 and 1994 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

CHARTERED ACCOUNTANT

CALGARY, Alberta
July 7, 1995, except as to
Note 10 which is at
September 5, 1995.



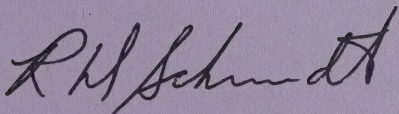
BALANCE SHEETS

As at April 30, 1995 and 1994

	1995	1994
	\$	\$
ASSETS		
Current		
Cash	356,823	71,783
Accounts Receivable and Accruals	89,169	220,070
Prepays and Deposits	19,442	17,919
	465,434	309,772
Petroleum and Natural Gas Properties (Note 2)	564,198	1,771,079
Other (Note 3)	152,448	32,420
	1,182,080	2,113,271
LIABILITIES		
Current		
Accounts Payable and Accrued Liabilities	229,748	458,889
Debentures Payable (Note 4)	1,740,000	—
Provision for Site Restoration Costs	27,470	8,182
CAPITAL STOCK AND DEFICIT		
Capital Stock (Note 5)	1,918,729	2,057,621
Deficit	(2,733,867)	(411,421)
	(815,138)	1,646,200
	1,182,080	2,113,271

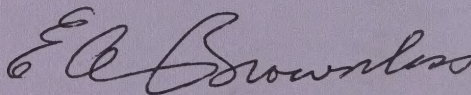
On Behalf of The Board:

Director



Richard D. Schmidt
CEO

Director



Edward A. Brownless
President & Chairman

See Accompanying Notes

STATEMENTS OF LOSS AND DEFICIT

For the Years Ended April 30, 1995 and 1994

	1995	1994
	\$	\$
REVENUE		
Oil and Gas	761,621	184,381
Royalties	(173,165)	(28,431)
Processing	37,099	1,893
Alberta Royalty Tax Credits	32,644	—
Interest	13,777	4,643
	<u>671,976</u>	<u>162,486</u>
EXPENSES		
Write-down of Petroleum and Natural Gas Properties	1,873,240	23,376
Depletion and Amortization	463,643	81,849
Operating	296,737	41,473
General and Administrative	180,916	56,552
Interest on Debentures	101,500	—
Write-off of Reorganization Costs	32,420	—
Amortization – Other	26,678	12,470
Site Restoration Costs	19,288	8,182
	<u>2,994,422</u>	<u>223,902</u>
NET LOSS	(2,322,446)	(61,416)
DEFICIT, BEGINNING OF YEAR	(411,421)	(350,005)
DEFICIT, END OF YEAR	(2,733,867)	(411,421)
BASIC LOSS PER SHARE	(0.22)	(0.01)

See Accompanying Notes

STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the Years Ended April 30, 1995 and 1994

	1995 \$	1994 \$
OPERATING ACTIVITIES		
Net Loss	(2,322,446)	(61,416)
Items not Affecting Cash		
Write-down of Petroleum and Natural Gas Properties	1,873,240	23,376
Depletion and Amortization	463,643	81,849
Write-off of Reorganization Costs	32,420	—
Amortization – Other	26,678	12,470
Provision for Site Restoration Costs	19,288	8,182
	92,823	64,461
Net Changes in Non-Cash Working Capital		
Balances Related to Operations (*)	(99,763)	153,822
	(6,940)	218,283
FINANCING ACTIVITIES		
Proceeds of Debentures	1,740,000	—
Issue of Capital Stock, Net of Issue Costs	—	1,826,918
Advances to Shareholders	—	(25,000)
Advances to Former Directors	—	(27,300)
	1,740,000	1,774,618
INVESTING ACTIVITIES		
Other	(179,126)	(44,890)
Acquisition of Petroleum and Natural Gas Properties	(1,268,894)	(1,876,304)
	(1,448,020)	(1,921,194)
INCREASE IN CASH	285,040	71,707
CASH; BEGINNING OF YEAR	71,783	76
CASH; END OF YEAR	356,823	71,783
*Net Changes in Non-Cash Working Capital		
Accounts Receivable and Accruals	130,901	(220,070)
Prepays and Deposits	(1,523)	(17,919)
Accounts Payable and Accrued Liabilities	(229,141)	415,311
Accounts Payable – Other	—	23,500
	(99,763)	153,822

See Accompanying Notes

NOTES TO THE FINANCIAL STATEMENTS

For the Years Ended April 30, 1995 and 1994

1. Summary of Accounting Policies

(a) Petroleum and Natural Gas Properties and Related Depletion and Amortization

The Company follows the full cost method of accounting under which all costs related to the exploration for and development of petroleum and natural gas properties are capitalized into a single Canadian cost centre. Such costs include land acquisition costs, geological and geophysical expenses, lease rentals on non-producing properties, costs of drilling both productive and non-productive wells, and related overhead charges.

The costs related to a cost centre from which there is production, together with the costs of production equipment, are depleted and amortized on the unit of production method based on the estimated proven reserves as determined by independent reservoir engineers. Natural gas reserves and production are converted into equivalent barrels of oil based upon the relative energy content.

Costs directly associated with the acquisition and evaluation of unproved properties are initially excluded from the computation of depletion. These unevaluated properties are assessed periodically to ascertain whether impairment has occurred. When proven reserves are assigned or the property is considered to be impaired, the cost of the property or the amount of the impairment is added to all other capitalized costs which are depleted.

In applying the full cost method, the Company calculates a ceiling test which restricts the capitalized costs less accumulated depreciation and amortization from exceeding an amount equal to the estimated undiscounted value of future net revenues from proven oil and gas reserves, based on current prices and costs, after deducting estimated future general and administrative expenses, future removal and site restoration costs, financing costs and income taxes, all undiscounted and unescalated.

Sales of oil and gas properties are accounted for as adjustments of capitalized costs, with no gain or loss recognized, unless such adjustments would significantly alter the rate of depletion and amortization by more than twenty percent.

(b) Other Capital Assets and Related Amortization

The Company provides for amortization on other capital assets using the declining balance method at an annual rate of 20%.

(c) Joint Ventures

Substantially all of the Company's exploration and production activities are conducted jointly with others. These financial statements reflect only the Company's proportionate interest in such activities.

(d) Site Restoration Costs

Estimated future removal and site restoration costs, net of expected recoveries, are provided for over the life of the proven reserves on a unit-of-production basis. Costs are estimated each year by management in consultation with the Company's engineers based on current regulations, costs, technology and industry standards. Removal and site restoration expenditures will be charged to the accumulated provision account as incurred.

(e) Deferred Finance Charges

Deferred finance charges relating to the debentures are being amortized over the life of the debenture term of 47 months.

(f) Flow-Through Shares

The resource expenditure deductions for income tax purposes related to exploratory and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Petroleum and natural gas properties and capital stock are reduced by the estimated cost of the renounced tax deductions when the expenditures are incurred.

(g) Income Taxes

The Company follows the tax allocation method of accounting for corporate income taxes. Deferred taxes are provided to the extent that current taxes have been reduced by claiming amounts, primarily exploration and development costs and capital cost allowance, in excess of the related depletion and amortization recorded in the financial statements.

(h) Loss Per Share

Per share information is calculated using the weighted average number of common shares outstanding. Fully diluted per share information is anti-dilutive.

2. Petroleum and Natural Gas Properties

		1995		1994
	Cost	Accumulated Depletion, Amortization and Write-Downs	Net Book Value	Net Book Value
	\$	\$	\$	\$
Petroleum and Natural Gas Properties, including Development thereon and Production Equipment	2,972,695	2,431,302	541,393	1,743,700
Other Capital Assets	33,611	10,806	22,805	27,379
	3,006,306	2,442,108	564,198	1,771,079

Certain petroleum and natural gas properties having a net book value of \$ nil (1994 - \$558,333) for accounting purposes have no cost for income tax purposes.



The Company has capitalized general and administrative charges directly related to acquisition, exploration and development activities of \$57,395 (1994 – \$77,556). An additional depletion charge of \$1,873,240 (1994 – \$23,376) has been recorded to reflect a reduction in the net recoverable amount.

3. Other

	1995	1994
	\$	\$
Deferred Finance Charges	179,126	—
Reorganization Costs	—	44,890
	179,126	44,890
Accumulated Amortization	26,678	12,470
	152,448	32,420

4. Debentures Payable

On September 29, 1994, the Company issued \$1,740,000 of 10% convertible redeemable debentures. The debentures will mature on September 1, 1998. Each debenture will be convertible into common shares of the Company at the option of the holder at any time up to the close of business on September 1, 1996 at a conversion price of \$0.35 per common share and thereafter until September 1, 1998 at \$0.45 per common share. The debentures will not be redeemable on or prior to September 1, 1996. Thereafter the debentures will be redeemable at any time up to the close of business on September 1, 1997 for 2,000 common shares per \$1,000 principal amount of debentures provided the weighted average price at which the common shares have traded on the Alberta Stock Exchange during the 20 consecutive trading days ending not more than five trading days prior to the giving of notice of redemption is at least \$0.50. Thereafter the debentures will be redeemable at any time up to the close of business on September 1, 1998 for 1,818 common shares per \$1,000 principal amount of debentures provided the weighted average price at which the common shares have traded on the Alberta Stock Exchange during 20 consecutive trading days ending not more than five trading days prior to the giving of notice of redemption is at least \$0.55.

5. Capital Stock

(a) Authorized

Unlimited number of Common Voting Shares of no par value.

Unlimited number of Preferred Shares of no par value.

(b) Issued

	Number of Common Shares	Stated Value \$
Balance – April 30, 1993	7,534,767	230,703
Issued for Debt Settlement		
– Due to Former Directors	476,668	27,300
– Accounts Payable - Other	470,000	23,500
– Accounts Payable and Accrued Liabilities	342,000	34,200
– Due to Shareholders	2,500,000	25,000
Issued for Services	1,250,000	17,001
Issued for Petroleum and Natural Gas Properties	7,500,000	282,000
Issued for Debt Settlement	500,000	5,000
	20,573,435	644,704
Conversion Adjustment Pursuant to Shareholders Resolution (see (c) below)	(16,458,748)	—
	4,114,687	644,704
Issued for Cash on Private Placement	2,900,000	725,000
Share Issue Costs	—	(30,000)
Issued for Petroleum and Natural Gas Properties	200,000	80,000
Issued for Services	340,000	79,000
Issued for Cash on Public Offering		
– Common Shares	3,121,333	873,973
– Warrants	—	62,427
– Share Issue Costs	—	(129,205)
– Tax Effect of Flow-Through	—	(248,278)
Balance – April 30, 1994	10,676,020	2,057,621
Tax Effect of Flow-Through	—	(138,892)
Balance – April 30, 1995	10,676,020	1,918,729

5. Capital Stock (continued)

(c) Conversion and Name Change

Pursuant to a shareholder resolution dated April 15, 1993 and effective May 21, 1993 the Company consolidated all of the issued common shares of the Company on the basis of one new consolidated share for five existing shares. As a result of this resolution and by Articles of Amendment, the Company changed its name from Multi-Screen Corporation to Cephalon Resource Corporation.

(d) Stock Options

The following options to purchase shares are held by directors, officers and employees of the Company as at April 30, 1995:

<u>Number of Shares</u>	<u>Exercise Price Per Share</u>	<u>Expiry Date</u>
640,000	\$0.25	June 30, 1996
350,000	\$0.27	June 30, 1997

Subsequent to April 30, 1995, as a result of the resignation of certain option holders (see Note 10(a)) all but 25,000 of the above options expired.

(e) Agents' Options

- During the year ended April 30, 1994 the Company completed an offering to the public by way of a prospectus pursuant to which the agent was granted a non-transferable option which entitles the agent to purchase 312,133 common shares at a price of \$0.28 per common share at any time up to June 30, 1995. Subsequent to April 30, 1995, this option expired.
- During the year ended April 30, 1995 the Company completed a 10% convertible redeemable debenture financing pursuant to which the agent was granted a warrant to purchase 300,000 common shares at a price of \$0.30 per common share and is exercisable on or before March 31, 1996.

(f) Warrants

The following common share purchase warrants were outstanding as at April 30, 1995:

<u>Number of Warrants</u>	<u>Exercise Entitlement</u>	<u>Exercise Price Per Share</u>	<u>Expiry Date</u>
3,121,333	One share for each warrant	\$0.32	December 29, 1995

(g) Escrow

As at April 30, 1995 – 2,003,333 (1994 – 3,000,000) common shares are held in escrow by the transfer agent subject to the direction or determination of the relevant regulatory authorities.

6. Credit Facility

As at April 30, 1995 the Company has a \$350,000 revolving term credit facility available with a Canadian Chartered Bank which bears interest at the prime rate plus 1¼%. Security for the facility includes a general assignment of book debt, a specific fixed charge on certain petroleum and natural gas assets and a floating charge on all assets not specifically covered.

7. Related Party Transactions

- The Company paid consulting fees to officers and directors of the Company totalling \$18,200 (1994 - \$125,000) relating to the review and evaluation of petroleum and natural gas properties and other consulting services.
- During the year ended April 30, 1994 the Company acquired a drilling prospect from a company controlled by officers and directors in exchange for 1,500,000 (7,500,000 pre-consolidation) common shares of the Company representing a total consideration of \$282,000.



8. Income Taxes

The provision for income taxes reflects an effective tax rate which differs from combined federal and provincial statutory tax rates. The main differences are summarized as follows:

	1995	1994
	\$	\$
Loss Before Income Taxes	(2,322,446)	(61,416)
Corporate Tax Rate	44%	44%
Calculated Income Tax Provision	(1,021,876)	(27,023)
Increase (Decrease) in Taxes Resulting from:		
Non-Deductible Depletion	184,554	15,768
Crown Royalties and Crown Lease Rentals	32,519	-
Resource Allowance	(20,326)	(761)
Alberta Royalty Tax Credits	(14,363)	-
Share Issue Costs	(14,010)	(14,010)
Other	1,061	-
Future Tax Benefits not Recognized	852,441	24,655
Reorganization Costs	-	1,371
	-	-

The Company has incurred losses for income tax purposes of approximately \$204,150, the related benefit of which have not been recorded in the financial statements. Unless sufficient taxable income is earned, these losses will expire between the years 2001 to 2002.

As at April 30, 1995, the Company has available for deduction against future taxable income the following amounts:

		Annual Rate of Claim
Canadian Oil and Gas Property Expenditures	\$714,675	10%
Canadian Development Expenditures	\$457,200	30%
Canadian Exploration Expenditures	\$267,477	100%
Capital Cost Allowances	\$537,100	20-50%
Unamortized Debenture Issue Costs	\$143,300	20%
Unamortized Share Issue Costs	\$101,500	20%
Cumulative Eligible Capital	\$ 31,800	7%

9. Segmented Information

The Company's dominant industry segment is the exploration and development of petroleum and natural gas properties in Canada.

10. Subsequent Events

- Subsequent to April 30, 1995 all of the previous directors and officers of the Company resigned and new directors and officers were appointed.
- Subsequent to April 30, 1995 the Company acquired a petroleum and natural gas property from a related party for a total consideration of \$550,000 payable by a cash payment of \$300,000 and the issuance of 1,000,000 common shares from treasury at an ascribed price of \$0.25 per common share.



DIRECTORS' PROFILE

Richard D. Schmidt
Chief Executive Officer, Director

Mr. Schmidt attended the University of Saskatchewan and studied in arts and sciences. From 1955 to 1985, he acquired extensive experience in the geophysical and seismic fields, and from 1985 to 1993, served as President of Golden Pacific Corporation, an Alberta Stock Exchange listed company. Thereafter, he was Chairman and President of Rico Resources Inc. until 1993 when he became Chairman and C.E.O. of Chipman Energy Limited, an ASE listed company, a position which he resigned in March, 1995.

Edward A. Brownless
President, Chairman of the Board & Director

A graduate of the University of Toronto, with a degree in Mining Geology and Engineering, and a consulting geologist since 1965, Mr. Brownless is President and Director of Provost Petroleum Ltd. Prior to that he was President of RioAlto Exploration Ltd. His geological and development background dates back to 1950 including a fifteen year tenure of a geological position with Chevron Standard. He was a member of the Alberta Society of Petroleum Geologists and is currently a life member of the Alberta Association of Professional Engineers, Geologists and Geophysicists. (APEGGA).

K. Michael Collins, P.Geol.
Director

Mr. Collins graduated in 1975 with a B.Sc. Zoology from the University of Manitoba and in 1980 with a M.Sc. in Zoology from U of M., and in 1985 with a B.Sc. in Geology from the University of Calgary. Since 1985, he has gained extensive experience in the geological field with several companies including Dome Petroleum Ltd., and more recently he served for four years as a Consulting Geologist with Canadian Occidental Petroleum Ltd., in exploration and property evaluation throughout central and northern Alberta, B.C., and western Saskatchewan.

Theodor K. Ashley, C.G.A.
Secretary Treasurer & Director

Mr. Ashley has operated in private practice during the past 14 years representing a variety of industries. From 1976 to 1982 he has held positions of increasing responsibility in several companies including that of Auditor with a Toronto based firm of Chartered Accountants, as a Senior Auditor with Gulf Canada and before entering private practice, he was Controller with a large construction and development firm with a portfolio in excess of 44 million dollars. He obtained his CGA accreditation in 1977 and is a member of the Certified General Accountants Association of Alberta.





CORPORATE INFORMATION

Board of Directors

Richard D. Schmidt
CEO (*)

E.A. Brownless
President & Chairman (*)

K. Michael Collins, P. Geol.

Theodor K. Ashley, C.G.A.
Secretary & Treasurer (*)

(*) Denotes member of the Audit Committee.

Corporate Office

1600, 717 - 7th Avenue S.W.,
Calgary, Alberta T2P 0Z3

Registrar and Transfer Agent

Montreal Trust Company of Canada
Calgary, Alberta

Stock Exchange

The Alberta Stock Exchange
Symbol: "CHR"

Consulting Engineers

Fekete Associates Inc.
Calgary, Alberta

Officers and Personnel

Richard D. Schmidt
CEO

E.A. Brownless
President & Chairman

K. Michael Collins

Theodor K. Ashley
Secretary & Treasurer

Andrea van Remmen
Secretary / Receptionist

Auditors

Michael A. Kociuba
Professional Corporation
Chartered Accountant
Calgary, Alberta

Solicitors

Bennett Jones Verchere
Calgary, Alberta

Principal Banker

Alberta Treasury Branches
Calgary, Alberta





Cephalon Resource Corporation

1600, 717 - 7th Avenue S.W.

Calgary, Alberta T2P 0Z3

Tel: (403) 269-5100

Fax: (403) 269-5137

ASE: Trading Symbol CHR



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